

Exhibit 8 to Plaintiff's
Memorandum of Points and Authorities
in Support of Its Motion for Temporary
Restraining Order and Preliminary Injunction
(PX01303)

Consumers Check Out Organic Options

By Vivian Manning-Schaffel

Step into any American supermarket and you'll find that it's official—the health and wellness fad has pushed its way into the mainstream. With even the most remote retailers making room for an ever-increasing abundance of organic and natural foods brands, the niche market categorization is long gone.

Americans are choosing to consume organic and natural foods for a wide variety of reasons. "Several events helped [to] build awareness and drive trial of natural and organic foods—most of them were health-related, like the approval of rBGH for use in milk by the federal government, or E. coli outbreaks," explains Laura Coblentz, vice president of marketing at Wild Oats, the second largest national natural and organic foods retailer in the US, with over 100 locations in the US and Canada. "People are concerned about their health, and more and more consumers are turning to food as a way to manage health and wellness, which has led to the increased growth of organic and natural foods."

"The success of the market can be greatly attributed to increased consumer demand, which has truly driven the shift in grocery store sales," agrees Jeff Canner, vice president of marketing at Ian's Natural Foods. "Organic and all-natural foods have evolved from being a niche market to a lifestyle."

Some of the most successful organic and natural foods brands were born from a need that developed long before your local strip mall opened a yoga center. Vermont-based Earth's Best baby and toddler food dates back to 1985, when a couple of organic farmers realized they couldn't buy any preservative-free baby food to feed their kids. The brand grew as organically as the stuff it put into jars, and by 1995 Earth's Best had developed more than 50 product offerings. After a brief ownership by Heinz, it was snapped up in 2000 by New York-based organic and natural foods conglomerate the Hain Celestial Group.

"Earth's Best was the first complete line of organic foods for infants," says Kim Bremer, category manager at Earth's Best. "Unlike other brands, we have been dedicated to organic foods for more than 20 years and that is all we do. There's something to be said in coming first."

Joining the fray a bit later, Boston-area native Steve Gelerman was also inspired by his offspring to fill a hole in the marketplace. "Although the company has been around for over ten years, we only began distributing under the Ian's Natural Foods brand in 2000," says Canner. "As a busy parent, Steve Gelerman, founder of Ian's Natural Foods, found there was a lack of convenience foods for kids that were actually healthy. Recognizing the gap in the food industry, and the growth potential for a unique brand, Steve decided to focus on producing all-natural, frozen food products for kids."

It's clear that more and more Americans are intent not only on living healthier themselves, but on raising a generation committed to health and wellness. As a result, the organic and natural foods sector has become saturated with an interesting mix of entrepreneurial leaders, legacy brands reinventing themselves to join the party with organic product lines, and emerging brands carving out a niche within the niche. Among

them all, the most prominent common denominator in determining success is a winning recipe of taste and trust.

"Consumers who are purchasing natural and organic foods are putting forth effort to be mindful of the foods they are putting into their bodies and are feeding to their children," explains Canner. "They trust the brands they are buying, and are relying on these brands to provide taste and quality."

"Being an organic brand lends itself to a higher level of trust," seconds Bremer. "When it comes to what we put in our mouths, especially our children's mouths, trust is the most important element in any organic and natural food brand strategy."

"Consumers have to trust your brand and your products," concurs Coblentz. "Without trust, there is no relationship, and trust can only be built with credibility, commitment, and consistency."

Organic and natural foods might cost consumers a little more money, and these brand owners realize the importance of driving home the benefits. "For those looking to make it in this market, it's not enough for brands to promote products," states Bremer. "They have to promote a lifestyle, with all kinds of value-added content to educate consumers and keep them on their side of the fence."

With the marked growth of this sector, organic and natural foods retailers have emerged as a competitive market all their own. As the go-to locations for all of these brands, they are charged with building a brand that not only promotes the lifestyle, but takes the concept of lifestyle marketing one step further by creating and promoting a sense of community around the lifestyle.

Founded in 1987, the Wild Oats retail chain was built, according to its website, "on the vision of enhancing the lives of our customers and our people with products and education that support health and well-being."

"Succeeding in this business is about staying true to your message and mission but also being inclusive and creating a community that will attract new customers," elaborates Coblentz. "It's about mind, body and soul through food, information, vitamins and supplements, recipes, books, body care—you name it. Wild Oats is more than a retail chain—it's about a lifestyle, and that's how we market ourselves."

In spite of the increased cost, Americans are flocking to these lifestyle retailers because they offer something for everyone. "Every customer at Wild Oats is somewhere along the spectrum of health and wellness," says Coblentz. "For some, it's taking vitamins, for others, it's eating all organic, and for others, it's somewhere in between."

So where does this leave your local grocery store? Experts say consumers will continue to favor organic and natural lifestyle stores if mainstream stores don't offer more of the same types of products. "While many of the mass market grocery retailers have been reporting a loss in revenue in the past year, specialty organic and natural foods chains are reporting steady growth and increased profit," explains Canner. "Industry experts predict this growth will continue at a steady rate as consumer demand increases, and [until] mainstream retailers respond with increased organic and all-natural offerings on their shelves."

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